



**Testimony  
Robin Wilson  
President & CEO  
Quinnipiac Chamber of Commerce  
Before the Finance, Revenue & Bonding Committee  
February 23, 2009**

**RE: SB-937 – AN ACT CONCERNING A BUSINESS TAX SURCHARGE**

The Quinnipiac Chamber of Commerce urges lawmakers to *reject SB-937*, which imposes a 30% surcharge on companies subject to the Corporation Business Income Tax.

Connecticut simply cannot respond to the state's budget crisis by raising taxes without risk of pushing the state further into recession. According to the state Department of Labor, the deepening recession is causing job losses in almost every industry sector and region of Connecticut. We lost 29,300 jobs in 2008 and our unemployment rate jumped from 4.8% in December 2007 to 7.1% in December 2008.

Further increasing business taxes will lead to reductions in the number of jobs across all sectors. A study addressing the impact on the New Hampshire economy of closing a budget gap through increased business taxation concluded that "even a small additional increase in business taxation leads to more than just a small bump in economic performance. Indeed, it creates a significant drag on the state's economy. It will cause crucial reductions in New Hampshire jobs, sales, investment, household earnings and gross state product as compared to a New Hampshire future without further business tax increases."

During these difficult economic times, Connecticut's tax policies must remain competitive with other states and encourage rather than stifle job growth. Unfortunately, imposing a 30% surcharge on corporations will punish companies that have managed to turn a profit in this economy.

In order to ensure our state's economic recovery, we must take steps to nurture the growth of business and get people back to work. By reducing the size of government and making state and local government more efficient, we can work together to address the budget deficit and position Connecticut for economic recovery.

*The Quinnipiac Chamber of Commerce serves more than 800 member companies from the North Haven and Wallingford area. We are the largest non-metropolitan chamber in the state.*